(a) whether Government has initiated steps for augmenting scrutiny/ surveillance of statutory reports of listed corporate houses, in particular, in the light of disclosure of financial fraud and manipulation of reports in M/s. Satyam Computers, abetted by its statutory auditors, recently;

(b) if so, the details thereof, indicating the quantity and quality of augmentation of scrutiny and surveillance mechanism and the procedure being followed;

(c) the details of complaints received, if any, by Government from the public, alleging frauds of similar nature and abetted by audit firms of other corporate houses;

(d) the action taken thereon; and

(e) the lacunae, if any, in the existing legislations hindering the required action?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED): (a) and (b) The Government has powers of inspection of the books of accounts of companies and also to investigate their affairs, under the Companies Act, 1956; cases relating to listed companies are taken on priority. The Government has set up an electronic registry with round the clock access through internet. The audited accounts are also displayed on the electronic registry for general viewing. The Registrars of Companies also undertake scrutiny of the statutory reports filed by such companies to see any violation/irregularities committed by the companies.

In the light of developments in the matter of Satyam, the Securities and Exchange Board of India (SEBI) has initiated a process of peer review of the working papers (relating to financial statements of listed companies) of auditors, in respect of companies constituting the NSE-Nifty 50, the BSE Sensex and some listed companies outside the Sensex and Nifty chosen on random basis, in relation to the last quarterly results and the last audited annual financial results of these companies.

The objective of peer review is to ensure that there is no material misstatement of assets and liabilities, compliance with the Accounting Standards has been made and to examine the existence of fraud or other material error in the financial statements.

(c) No complaint alleging fraud of similar nature has been received.

(d) and (e) Do not arise.

**Violation of Companies Act**

2429.SHRI P.R. RAJAN: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) how many cases were filed against companies for violating the Companies Act, 1956; and

(b) how many companies have been identified as vanishing companies?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED): (a) A total of 18183 cases were filed against companies for violating the Companies Act, 1956 during the period 01.01.2008 to 31.03.2009.

(b) Out of the companies that came out with IPOs during 1992-2005, a total of 238 companies were identified as vanishing companies, of which 117 companies have been traced back, resulting in the number of vanishing companies being reduced to 121.

**Funds earmarked for the North-Eastern Region**

2430.SHRI PRAVEEN RASHTRAPAL: Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

(a) whether it is a fact that all the Ministries are required to allocate a fixed percentage of funds every year for the development of North Eastern Region;

(b) if so, the details thereof during the last five years, from 2004-05 onwards;

(c) whether the Ministry had ever-examined or inspected the development works carried out by utilizing the above funds; and

(d) if not, the reasons therefor?

THE MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B.K. HANDIQUE): (a) All Central Ministries/Departments, except a few which are specifically exempted, are required to allocate a minimum of 10% of their Gross Budgetary Support (GBS) every year for the development of North Eastern Region. The Ministries/Departments which are presently, exempted from such allocations are:

1. Atomic Energy
2. Company Affairs
3. Economic Affairs
4. Expenditure
5. External Affairs
6. Legal Affairs
7. Earth Sciences
8. Official Language
9. Personnel & Training
10. Petroleum & Natural Gas
11. Planning
12. Revenue
13. Social Justice & Empowerment*
14. Steel
15. Space
16. Science & Technology
17. Scientific & Industrial Research

(b) The total allocations made by non-exempted Ministries/ Departments for the development of North Eastern Region during the last five years since 2004-05 are as given below:

| Year | Allocation made (in Rs. cr.) |
|---|---|
| 2004-05 | 6786.71 |
| 2005-06 | 9150.14 |
| 2006-07 | 10731.52 |
| 2007-08 | 12941.34 |
| 2008-09 | 14793.42 (Prov.) |